



Bakery Growth Strategy

Table of Contents

[Introduction.....4](#)

[Objectives of Project.....4](#)

[Tiered Growth Strategy.....5](#)

[Strategy Options.....5](#)

Introduction

With the desire to build a stronger bakery brand and build an infrastructure that offers room to grow, they will need a strategy to guide them. That guiding light are Strategic Growth Opportunities (SGOs). SGOs are different growth methodologies that touch upon each of the growth possibilities. Detailed further below, SGO's start from the basic premise of selling more to current customers, to creating new products for new customers. Depending upon your goals and vision, they can pick and choose which avenue is best for them. One or all the SGOs can be used. The great thing about SGOs is that they will stand the test of time and can be utilized down the road if goals change.

You will receive growth suggestions per SGO in the following table. This won't be an exhaustive list, but a wide-ranging one that gives you some jumping points. It's recommended that your SGO approach should be placed within a broader strategic growth plan. The SGOs just show you how to build your products in the market, it doesn't instruct you on how to manage it.

Objectives of Project

1. Introduce the different Strategic Growth Opportunities (SGO's)
2. Develop growth strategies based on each SGO

Tiered Growth Strategy

The Strategic Growth Opportunities (SGOs) in the below diagram are displayed as ascending steps (and are numbered as such). From the previous page, it was mentioned that starting from Step 1 is not mandatory. However, the steps are laid out from least work intensive to most work intensive (as far as product development and trying to reach new customers).

Having said that, and if you would like to take a step-by-step approach starting from Step 1, how high to climb up the (SGO) ladder is a strategic decision on its own. You may find yourself simply executing against the first step, or first two steps, and being content with your results. You may skip steps and find yourself at a strategy that is a bit more risky, but fits well with your overall business strategy. The initial steps are less risky while the latter steps do carry more risk (capital needs, time needs, staff requirements, etc.).

Growth Strategies Defined		
Step 1	Market Penetration	Sell more of the current product to current customers
Step 2	Market Development	Sell more of the current product to an adjacent market – next town over or next state over
Step 3	Alternative Channels	Sell more of the current product using different sales channels (i.e. internet, stores, distribution partners, etc.)
Step 4	Product Development	Develop new products for current customers
Step 5	New Product for New Customers	Develop new products for new customers

Strategy Options

The below table gives you the list of SGO's along with their corresponding growth strategy. Again, these are merely suggestions expand your reach in the market. You may or may not be currently engaging in the growth strategies provided. If you are, this is a great opportunity to re-evaluate that strategy and see how it can be improved.

SGO's

Growth Strategies

1 **Market Penetration**

1. **Display case**
 - This is a great opportunity to display the baking goods and really give the eye-appeal that can quickly turn an idea into a delectable craving. The visual aspect of food is a great motivator for purchase.
2. **Create a baking good of the month**
 - Draw attention to your bakery by simply highlighting an existing bakery menu item. Use social media, write it on a special's board, and place signage at the table. This not only will boost this product's sales, but will get people thinking about your bakery.
3. **Create a loyalty program**
 - For every "x" amount of baking goods, you get the next purchase free. Use a standard loyalty program to build sales and gain advocates that will increase word-of-mouth advertising.
4. **Bundle baking goods**
 - Whether that means creating a baking "gift" basket with assorted backing goods or bundling a certain quantity of the same item to sell at a higher, but overall discounted price. This "upsell" tactic allows you to sell the same items, but at a higher price point.

2 **Market Development**

1. **Attend out-of-town farmers markets**

- Make your presence known at out-of-town farmers markets. You are selling your baking goods to a broader audience while starting to create buzz. Utilize Social Media to ensure the world knows your baking farmers market "tour."

2. **Buy advertisement in that town's newspaper**

- Another out-of-town exposure tactic is taking an advertisement out in that town's newspaper. The point is not to use this as the golden key, but a way to gain exposure.

3. **Connect online with local town bloggers**

- Your restaurant's reputation alone should assist here. Bloggers want readers to read their blog, so working with the owner of a well-known establishment will help with that. The benefit of this is getting placed right into an established social stream.

3 **Alternative Channels**

1. **Sell through your website**

- Maybe challenging with baking goods, but online ordering for store pick up is an option. Another way for online ordering to work with delivery would be same day local delivery for an additional fee (set ordering minimums).

2. **Use joint marketing with local businesses with complementary services or products**

- Work with local businesses to pair up your bakery goods. Or at the very least engage in joint marketing efforts, or coupons through the partner.

3. **Selling bulk goods to local businesses and community events**

- Businesses are always celebrating something or have employee community councils who run fun work events. Also, community events are always happening. Reach out to

bigger local businesses along with the town recreation department.

4. Sell through distributors or grocery stores

- This is a bigger effort, but if successful, could be a huge revenue booster.

1. Develop new bakery items

- Are customers demanding a certain bakery item? Or are you interested in developing new products? Another way to grow your bakery is to create new products for existing customers. Think about a social media contest where your customers develop and vote on a new baking good.

2. Develop a “cupcake of the month” and introduce a newly developed cupcake each month.

- This is a fun way to get creative and keep your stock fresh. I say cupcake, but you could use anything.

3. Develop a monthly subscription to “cupcake of the month.”

- Beyond having the cupcake of the month, why not have people subscribe to the cupcake of the month? Again, logistically speaking could be challenging, but those who overcome challenges are the success ones.

1. Seek out a niche market and develop a line of baking goods just for them

- There are ton of niches out there. Find some of those and market to them. Let them know what you can do for them with your baking goods, and see if they bite. For example, partner with a local deli who serves a certain type of ethnic food. Develop a pastry line which matches the ethnicity of the food. Another example is working with local wine vineyards. Develop complementary pastries that go with wine. There are always wine tastings and a nice pastry would go well.

2. Wedding cakes and birthday cakes

- One thing is for sure, there will also be weddings and birthdays! Taping into this niche is a great way for repeat

4

Product Development

5

New Product for New Customers

business and word of mouth business.

3. Gluten-free / raw (uncooked products)

- Gluten-free and raw product offerings should be expanded to tap into an ever increasing market. Becoming known as a location for a variety of gluten free options will only expand your reach to new customers and markets.